

BILL ANALYSIS

S.B. 411
By: Carona
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, insurers have a duty to provide information or material requested by an authorized governmental agency relating to a matter under investigation. The fraud unit of the Texas Department of Insurance (TDI) issues requests to insurers relating to criminal fraud investigations under the authority of that law. There is currently no timeline within which the insurers must respond to those requests, which raises concern because fraud investigations are time-sensitive and accumulating relevant evidence can be necessary for the fraud unit's investigation. S.B. 411 seeks to address this issue by establishing a deadline by which responses to requests for information or material related to an investigation are due to TDI.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 411 amends the Insurance Code to require an insurer to respond to a request from the Texas Department of Insurance (TDI) for relevant information or material relating to a matter under investigation for insurance fraud not later than the 15th day after the date the request is received. The bill requires TDI to extend the period 10 days on written request of the insurer.

EFFECTIVE DATE

September 1, 2013.